



REPORT TO THE COMMUNITY 2017 YEAR IN REVIEW



nextLight™
LONGMONT'S BROADBAND



OUR MISSION

is to deliver outstanding electric and broadband service experiences to our customer-owners while providing exceptional value and benefit to our community.

LONGMONT THINKS BIG. WE ALWAYS HAVE.

Over 100 years ago, Longmont thought big enough to start its own electric utility. In 2017, Longmont Power & Communications (LPC) had the second-lowest residential electric rates in Colorado and had won its sixth straight Reliable Public Power Provider award, a mark of continued excellence and service to the community.

Over 20 years ago, Longmont thought big enough to begin envisioning its own citywide fiber-optic internet system. In 2017, NextLight™, as part of LPC, was being recognized nationally as the Community Broadband Project of the Year, helping Longmont achieve the fastest internet speeds in the nation.

We've thought big about renewable energy, today drawing one-third of our power from sun, water, and wind with even more to come. We've thought big about preparedness, creating electrical and broadband infrastructure that's ready for whatever Longmont's future may bring.

We've always thought big.

Imagine what LPC will be doing tomorrow.

CUSTOMERS AND INFRASTRUCTURE

Electric Distribution System

Miles: (up 1.9%) 628
Miles underground: 482
Main distribution circuits: 48
Substations: 7

Fiber Distribution System

Miles: (up 153%) 849
Miles underground: 697
Hubs: 6

Electric Customers (up 1.8%)

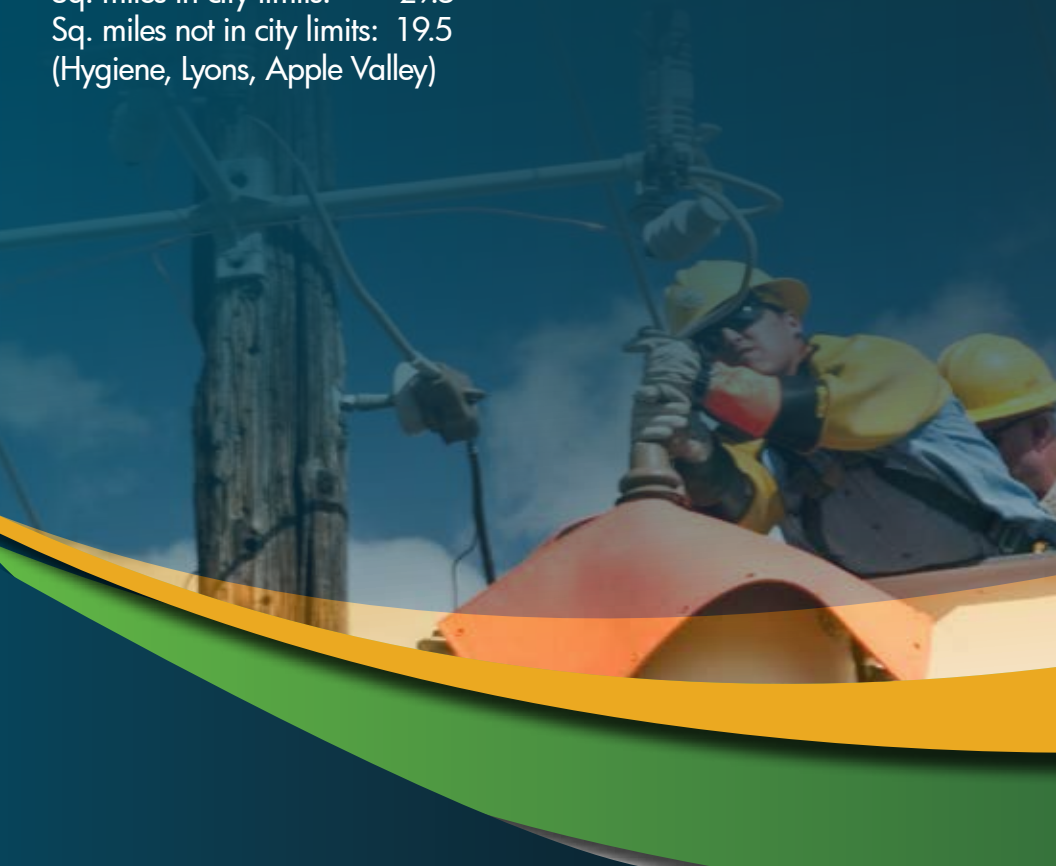
Total: 39,216
Residential: 36,392
Commercial: 2,815
Industrial: 9

NextLight™ Customers (up 67%)

Total: 16,908
Residential: 16,277
Commercial: 631

Service Area

Total sq. miles: 49.0
Sq. miles in city limits: 29.5
Sq. miles not in city limits: 19.5
(Hygiene, Lyons, Apple Valley)



LPC FINANCES

Revenues:	\$81.0 million (up 12.6%)
O&M Expenses:	\$73.2 million (up 6.6%)
Capital Expenses:	\$13.9 million (down 56.7%)
Debt:	\$43.1 million
Reserves:	\$8.5 million



CAPITAL IMPROVEMENTS

The Capital Improvement Program enables LPC to continue to safely deliver the highly reliable electricity and internet service our customers have come to expect. It ensures the steady planning, building, and improvement of the infrastructure. LPC spent \$14.1 million on CIP expenses in 2017.

Electric

Service installations and upgrades:
\$2.9 million

Downtown alley improvement project:
\$16,000

Overhead to underground line conversions:
\$402,000

System reliability improvements:
\$86,000

Street lighting projects:
\$7,000

Facility upgrades:
\$1,000

NextLight™ Internet

Citywide build:
\$10.7 million

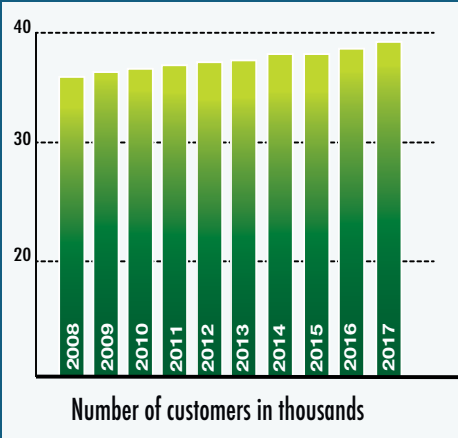




ELECTRIC SERVICE IN REVIEW

ELECTRIC SYSTEM GROWTH

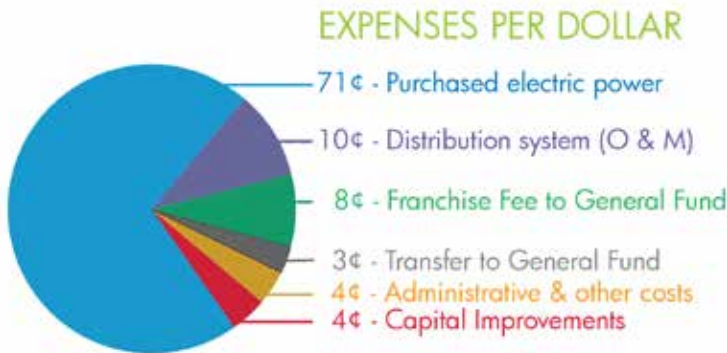
While LPC's customers increased by 8% over the last 10 years, Longmont's 2017 energy consumption was 4% less than in 2008. In that same period, maximum demand (the highest amount of electricity required to meet customer needs during a one-hour period) increased by only 3%. This is due in part to energy efficiency programs that help our customers use less energy. Changes in weather also affect usage.

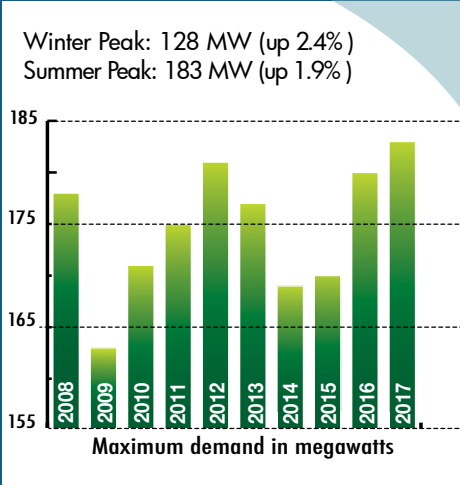
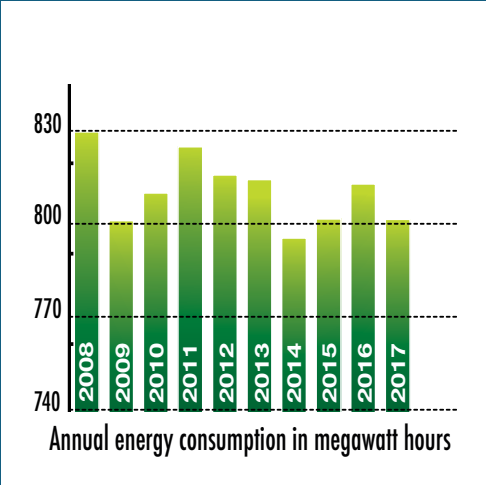


HEALTHY ELECTRIC FINANCES

Revenues: \$70.1 million (up 4.2%)
O&M Expenses: \$64.9 million (up 2.0%)
Capital Expenses: \$3.2 million

Purchased power from Platte River Power Authority (PRPA) was LPC's largest expense in 2017, representing 71 cents of every Electric Fund expense dollar. PRPA wholesale rates are much lower than other wholesale power providers, and lower power costs allow LPC to maintain lower rates for our customers. Expenses paid to the City's general fund include an 8.64% franchise fee on energy sales (which comes to about 8 cents per dollar of LPC's expenses) and 3 cents per dollar in transfers for services provided to the utility.

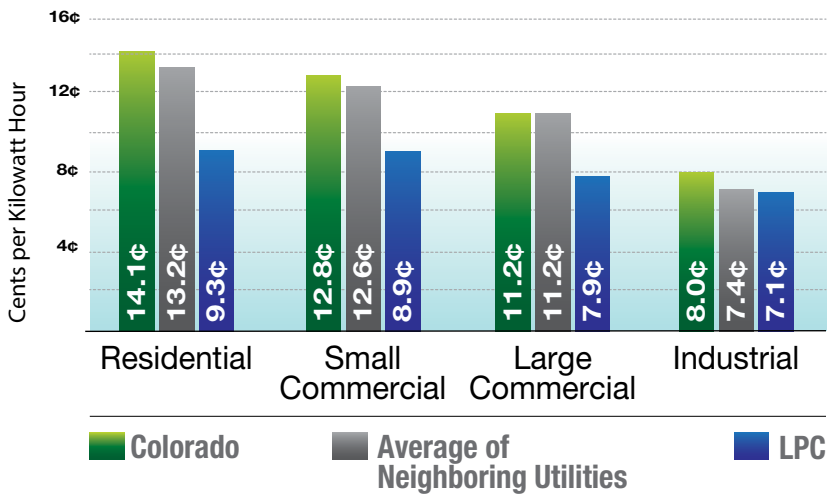




LOW ELECTRIC RATES

In 2017, LPC’s residential, commercial, and industrial customers paid significantly lower electric rates than customers in neighboring communities and throughout Colorado. Longmont’s average electric rate for all customer classes was 28% less than the average Colorado electric rate.

AVERAGE BLENDED ELECTRIC RATES





RELIABLE POWER SOURCES

Platte River Power Authority (PRPA), owned by the cities of Longmont, Loveland, Fort Collins, and Estes Park, has provided reliable, low-cost, and environmentally responsible electricity since 1975. PRPA now has 78 megawatts (MW) of windpower and 30 MW of solar generation. Longmont is represented on the PRPA Board of Directors by the Mayor and the LPC General Manager.

PRPA had a generation capacity of 1,020 MW in 2017. Resources included:

- Rawhide Energy Station: 280 MW coal, 388 MW natural gas, and 30 MW solar
- Yampa Project: 154 MW coal
- Western Area Power Administration: 90 MW hydropower
- Spring Canyon Expansion Wind Energy Center: 60 MW wind
- Silver Sage Windpower Project: 12 MW wind
- Medicine Bow Windpower Project: 6 MW wind



ZERO NET CARBON PLANNING

LPC and its wholesale energy provider Platte River Power Authority have long been leaders in pursuing the adoption of a renewable power supply. In the 1990s, for example, PRPA became the first Colorado wholesaler to include windpower in its energy mix. Today, roughly one-third of Longmont's power from PRPA comes from non-carbon sources – wind, sun, and water – the most of any wholesaler in Colorado.

In 2017 (and in very early 2018) , PRPA and Longmont took even more ambitious steps toward a renewable energy supply:

- PRPA commissioned a zero-net-carbon study; a model of how the communities of Longmont, Loveland, Estes Park, and Fort Collins could produce enough carbon-free energy by 2030 to offset any remaining energy generated from carbon-based sources. This would include 35% wind, 26% solar and 15% hydropower.
- As part of these continuing efforts, PRPA has contracted for an additional 150 megawatts of wind energy. This will enable Longmont to generate roughly 50% of its energy from non-carbon sources by 2020.
- At the beginning of 2018, the City of Longmont set an even more ambitious goal: to have 100% of its power come from renewable sources by 2030, without compromising the reliability and affordability that the city's residents and businesses have come to expect from LPC.

Details of the Zero-Net Carbon study can be found online at <https://www.prpa.org/znc/znc-report/>

DIVERSE ENERGY MIX

The mix of energy that LPC provides for its customers comes from a variety of sources, including coal, wind, hydropower, and natural gas. In 2017, LPC received 19.5% of its electricity from hydropower and 11.8% of electricity from other renewable sources.

In addition to these sources, 563 customers purchased nearly 4.8 million kWh of renewable energy on a voluntary basis through the Renewable Power Purchase Program, a Green-e Energy Certified* program.

The Renewable Power Purchase Program is sold in blocks of 100 kWh for residential customers and blocks of 500 kWh for commercial customers, or customers can also choose to invest in enough renewable energy to match their own energy usage. The tables to the right provide the renewable resource mix in 2017 as well as the projected resource mix in 2018.



*The Renewable Power Purchase Program is Green-e Energy certified, and meets the environmental and consumer protection standards set forth by the nonprofit Center for Resource Solutions. Learn more at www.green-e.org/green-e.org.

The average home in the United States uses 897 kWh per month. [Source: U.S. EIA, 2016]. For specific information about this electricity product, please contact Longmont Power & Communications at 303.651.8386 or visit us online at www.longmontcolorado.gov/lpc.



Average Energy Mix of Resources Supplying Non-Renewable Subscribers ¹				
Coal	Natural Gas	Hydroelectric	Renewable	Unspecified Purchases
67.4%	0.5%	19.5%	11.8%	0.8%

Green-e Energy Eligible New ² Renewables In Renewable Power Purchase Program					
RENEWABLE POWER PURCHASE PROGRAM PRODUCT CONTENT LABEL					
2017 Historic			2018 Prospective ³		
Source	%	Generation Location	Source	%	Generation Location
Wind	100%	WY	Wind	100%	CO

1. This is based on the resource mix provided by Platte River Power Authority for the year 2017.
2. New Renewables come from generation facilities that first began commercial operation within the past 15 years. This product includes generation from a facility that is approved for extended use by Green-e Energy.
3. The 2018 Prospective figures reflect the renewables that we have contracted to provide. Actual figures may vary according to resource availability. We will annually report to you before August 1 of next year in the form of a Historic Product Content Label the actual resource mix of the electricity you purchased. The 2017 Historic figures reflect the power delivered to Renewable Power Purchase Program customers in 2017.



EFFICIENCY WORKS™



As part of LPC's ongoing Efficiency Works efforts, a few new offerings were developed in 2017 to help further save money and energy.

- Longmont started up a new refrigerator recycling program. Residents can call 1.888.729.6154 to have their old refrigerator or freezer hauled away for free and receive a \$35 rebate.
- Longmont residents gained the opportunity to get a \$75 rebate when buying "smart thermostats" from a participating retailer. Smart thermostats can save a resident an estimated 23% on heating and cooling costs.
- In fall 2017, Efficiency Works offered a 50% bonus on qualifying commercial lighting upgrades. So a business that would normally qualify for \$1,000 in energy efficiency rebates, for example, qualified for \$1,500 while the bonus was in effect.

Current Efficiency Works home and business offerings can be found online at <https://efficiencyworks.org> - Check it out!



SAVING MONEY AND ENERGY

In 2017, Longmont residents and businesses saved nearly 5.5 million kWh as a result of energy efficiency services.

- 229 commercial energy efficiency projects saved nearly 5.2 million kWh a year, enough to power 7,412 homes for a month.
- 94 residential participants saved 288,000 kWh a year, enough to power 411 homes for a month. (Note: This includes 211,000 kWh of consumer products).
- Over 11,000 energy-saving items were purchased through lighting and consumer product rebates.
- In 2017, LPC and PRPA spent more than \$1.8 million on efficiency programs and rebates.

NEXTLIGHT SERVICE IN REVIEW



The NextLight story has become a well-known one in Longmont. In 2017, Longmont's own community-owned internet service claimed a national spotlight. This was the year that:

- PC Magazine declared that Longmont had the fastest internet speeds in the nation, citing NextLight as the reason why. "Local utilities like this ... are the best hope we've got for mega-fast internet service in this country," the magazine declared.
- Longmont became Colorado's first Gig City, the first community in Colorado to offer citywide gigabit upload and download speeds, without data caps or contracts.





· The National Association of Telecommunications Officers and Advisors named NextLight the 2017 Community Broadband Project of the Year. "It is especially gratifying to applaud Longmont, Colo., who was a 2013 NATOA winner for its business plan and who now in 2017 has developed that vision 'to expand world-class broadband infrastructure to each home in the City and thereby secure the City's economic future,'" NATOA Board President Jodie Miller said in the announcement.

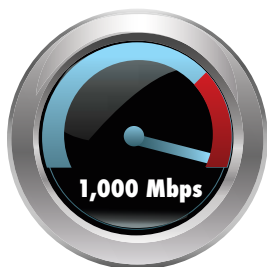


NEXTLIGHT INTERNET AND PHONE

Three years after Longmont first broke ground on NextLight, the city had become “the poster child for municipal broadband in Colorado” (BizWest). Communities from California to Massachusetts have asked for information about the NextLight experience, and in 2017, NextLight’s example helped encourage Fort Collins voters to support a fiber network of their own.

Meanwhile, the community support and network performance that earned Longmont those accolades have continued. In 2017, a majority of Longmont had NextLight service, receiving a gigabit at an unbeatable price with sterling reliability. As Longmont grows, NextLight will grow with it, extending to additional neighborhoods and developments, and eventually to LPC territory that’s outside the city limits as well.

The latest chapters have been exciting. But the NextLight story has only just begun. Become part of it by calling 303.651.8386.



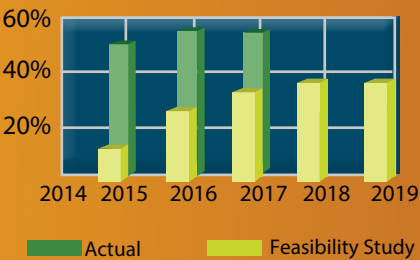
**REFER A FRIEND
GET A FREE MONTH!**

1 GIG / \$69.95

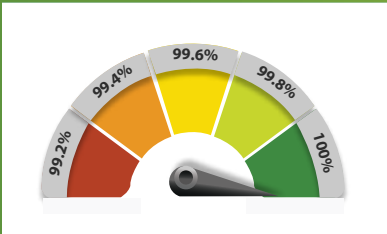
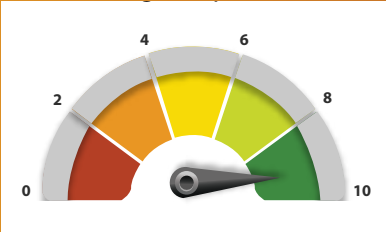
If you already know how great NextLight is, you don’t have to keep it to yourself. Tell a friend and send them to us. For every friend that subscribes, you get a free month!



IN AREAS WHERE SERVICE IS AVAILABLE, TAKE RATES SIGNIFICANTLY EXCEEDED THE FEASIBILITY STUDY.



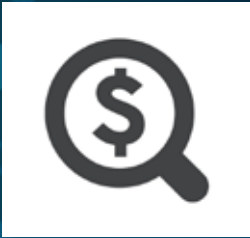
ON AVERAGE, OUR CUSTOMER SURVEYS RANK US AN OVERALL "9" ON A 10-POINT SCALE.



IN RELIABILITY, NEXTLIGHT CUSTOMERS GET ONLY THE BEST. NETWORK UP-TIME WAS CONSISTENTLY AT 99.999%

Broadband Finances

Revenues: \$10.9 million
O&M Expenses: \$8.3 million
Capital Expenses: \$10.7 million



PRESORT
USPS MARKETING MAIL
US POSTAGE
PAID
LONGMONT, CO
PERMIT 19



www.longmontcolorado.gov/lpc
www.longmontcolorado.gov/nextlight

1100 S. Sherman Street, Longmont, CO.

303.651.8386

lpc@longmontcolorado.gov

